The Law Foundation of Ontario

PURPOSE

The Law Foundation of Ontario was established in 1974 under an amendment to the Law Society Act, as a corporation without share capital, to receive interest on monies held in lawyers' mixed trust accounts, the fund so established to be used for the purposes of legal education and legal research, legal aid and the establishment, maintenance and operation of law libraries. At least 75% of the net interest so received must be paid to the Ontario Legal Aid Fund established under the Legal Aid Act.

ADMINISTRATION

The Trustees of the Foundation are:
Appointed by the Attorney General for Ontario:
H. Donald Guthrie, Q.C. - Chairman
Blenus Wright, Q.C.
Appointed by The Law Society of Upper Canada:
P.B.C. Pepper, Q.C.
Brendan O'Brien, Q.C.
Donald H.L. Lamont, Q.C
The other officers of the Foundation are:
David E. Crack, C.A. - Treasurer
Doreen Z. Howe - Secretary
Arthur N. Stone, Q.C., is Special Adviser to the Foundation.
Clarkson Gordon are the auditors and the fiscal and reporting year of the Foundation is the calendar year.

APPLYING FOR A GRANT

Individuals or groups wishing to apply for a grant from the Foundation are invited to communicate with the Secretary to obtain more information and an application form. The office of The Law Foundation of Ontario is located at Suite 207, 204 Richmond Street West, Toronto, Ontario M5V 1V6. Telephone (416) 598-1550.

The completed application form should provide as much information as possible about the project for which funds are sought and applicants should satisfy themselves that their project fits the Foundation's statutory purposes described above. A decision on each application is made by the Trustees.

In 1987, revenue from interest on lawyers' mixed trust accounts amounted to $18,625,068 compared to $14,814,427 in 1986, an increase of $3,810,641 (25.72%). The Foundation also earned interest of $581,490 on its own investments, resulting in an excess of total revenue over expenses of $18,972,377.

This year's increase in revenue is not as great as in 1986 but is considerable and reflects current economic activity and the realization of the full impact of the change negotiated by the Trustees to calculation of interest on daily balances (rather than on minimum monthly balances) by the chartered banks and some trust companies.

The Ontario Legal Aid Plan continues to gain substantial benefit from the increase in net revenue. The amount paid during 1987 amounted to $13,793,970, an increase of $2,852,908 over 1986. Since 1974, Legal Aid has received a total of $89,629,433 from the Foundation.

Grants authorized during the year for legal education, legal research and law libraries amounted to $3,329,626 compared to $3,173,473 in 1986, an increase of $156,153. Grants were made to 36 organizations and individuals compared to 24 in 1986. A list of the grants appears on the following pages.

The reserve account was increased by $1,000,000 to $3,737,047, which includes capitalized interest of $237,047. The reserve account is seen as a hedge against any future diminution of income.

On April 30th 1987, Arthur N. Stone, Q.C. was appointed Special Adviser to the Foundation to succeed John Gellner, who retired having held that position for ten years.

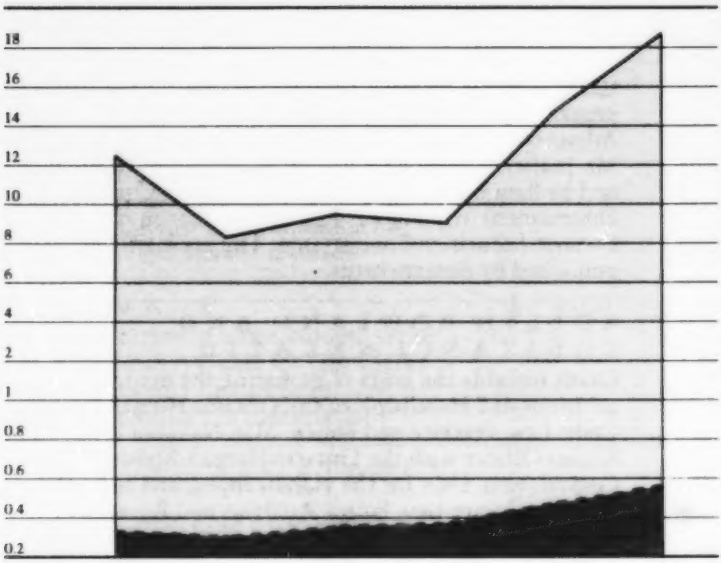
In August 1987, the Law Foundation of Ontario was privileged to host the Annual Meeting of the twelve Canadian Law Foundations in Ottawa at the time of the annual Canadian Bar Association meetings.

H. Donald Guthrie, Q.C.
Chairman

Revenue

— *Revenue from interest on lawyer's mixed trust account*

– – *Revenue from investments and other income*

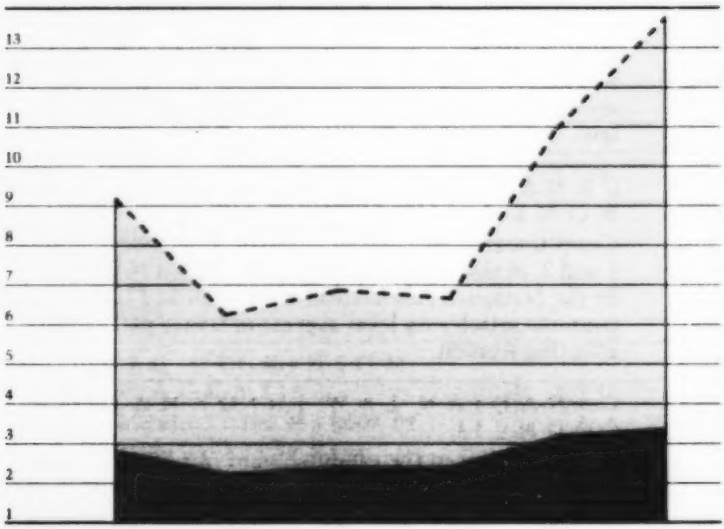


MILLIONS OF DOLLARS	1982	1983	1984	1985	1986	1987
—	12,267	8,225	9,496	9,070	14,814	18,625
– –	0,325	0,290	0,373	0,384	0,451	0,581

Grants

— *Grants*

– – *Payments to Legal Aid*



MILLIONS OF DOLLARS	1982	1983	1984	1985	1986	1987
—	2,884	2,290	2,418	2,407	3,173	3,330
– –	9,069	6,019	6,966	6,640	10,941	13,794

Grants Authorized during 1987

SARA BLAKE Grant towards research expenses in connection with the preparation of the manuscript for a textbook on Administrative Law. This textbook is being compiled by Mr. Justice Robert Reid of The Supreme Court of Ontario and by Sara Blake, who is an Investigation Counsel in the Enforcement and Market Regulation Branch of the Ontario Securities Commission. The book will be published by Butterworths.	$ 3,900
ADELYN BOWLAND AND CONSTANCE NAKATSU Grant towards the costs of preparing the manuscript for an annotated Handbook to the Ontario Human Rights Code: Law, Practice and Policy. Mrs. Nakatsu is a Human Rights Officer with the Ontario Human Rights Commission, Unit for the Handicapped, and is on the Steering Committee, Policy Analysis and Research Section, Canadian Bar Association, Ontario. The book will be published by Carswells.	$ 2,000
CANADIAN BAR ASSOCIATION Grant to help defray the costs of publishing the "Canadian Bar Review".	$ 36,000
CANADIAN FOUNDATION FOR CHILDREN AND THE LAW Grant towards the maintenance of this organization's Resource Centre, which specializes in literature and research material on the relationship of children and the law.	$ 22,000
CANADIAN JOURNAL OF WOMEN AND THE LAW Grant towards the costs of publishing volume 2, numbers 1 and 2, of this Journal, which is published twice yearly by the National Association of Women and the Law and contains articles on legal aspects of issues particularly affecting women.	$ 4,000
CANADIAN LAW INFORMATION COUNCIL Grant to assist in the establishment of a Plain Language Centre in Toronto for the development of the use of plain language for legal documents. The Centre will develop plain language techniques in consultation with those engaged in writing plain language documents and forms; establish a law school course in plain language; run workshops and courses and provide plain language writing for institutions on a contract basis.	$ 50,000

CKLN RADIO INC. Grant to CKLN Radio Inc., which is a campus community radio station operated in conjunction with Ryerson Polytechnical Institute. The grant is towards the costs of a weekly thirty minute legal education programme on various legal disciplines as applied to social problems, including phone in question and answer sessions.	$ 5,000
MICHAEL COCHRANE Grant to assist in the publication of a two volume set of books - "Family Law in Ontario: A Guide for Law Clerks and Legal Secretaries" and "Family Law in Ontario: A practitioner's Guide". The publisher is Butterworths.	$ 5,000
COMMUNITY LEGAL ASSISTANCE SARNIA Grant to assist in the establishment of a law library at this new legal clinic which opened in March 1987.	$ 850
COUNTY OF CARLETON LAW ASSOCIATION Grant to assist this Association in publishing the history of the practice of law in the County of Carleton in conjunction with its Centenary Celebrations.	$ 5,000
COUNTY OF YORK LAW ASSOCIATION Further grant to assist in publishing the history of this Association's first one hundred years.	$ 5,000
MIDGE DAY Grant to assist Mrs. Day in organizing a Symposium on Paralegals: A Time for Definition, which was held at Durham College of Applied Arts and Technology in June 1987. Mrs. Day is a teacher at Durham College, which conducts courses for law clerks.	$ 1,131
PROFESSORS GREG DICKINSON AND A. WAYNE MACKAY Grant to assist with the publication costs of a book by Professor Dickinson of the University of Western Ontario, Faculty of Education, Althouse College, and Professor MacKay of Dalhousie University, Faculty of Law, on Rights, Freedoms and the Education System in Canada. The book is to be published by Emond Montgomery Publications Limited.	$ 5,000

ELLIOTT GOLDSTEIN Grant to assist Mr. Goldstein with research for production of a programme of visual presentations and of a textbook on the uses and admissibility of videotapes, films and photographs as evidence in civil and criminal proceedings for the guidance of trial lawyers and law enforcement officers.	$	10,000
STEPHEN M. GRANT AND LINDA R. ROTHSTEIN Grant to assist in the preparation of a book on Barristers' and Solicitors' Liability. The book is to be published by Butterworths.	$	3,000
JOAN HABERMAN AND GRAEME MEW Grant towards the costs of preparing a book on the Canadian Law of Limitations to be published by Butterworths.	$	3,000
MICHAEL D. HARTRICK AND YAN A. M. LAZOR Grant to assist in the preparation of the Annotated Rules of the Provincial Court, (Family Division) to be published by Carswells.	$	4,000
HASTINGS AND PRINCE EDWARD ISLAND LEGAL SERVICES Grant towards the acquisition of books for the law library at this clinic, which serves all of Hastings and Prince Edward Counties and is located in Belleville with four satellite offices.	$	4,937.15
INSTITUTE OF LAW CLERKS OF ONTARIO Grant towards the costs of setting up a Fellowship level correspondence course in real property law and revising and updating Associate level courses and syllabi in litigation and real estate. This Institute also provides courses in litigation, corporation law, real estate law and estates law at the Ontario Institute of Studies in Education and at Connestoga, Confederation, Durham, Mohawk, Seneca and Humber Colleges.	$	4,550
KOSKIE AND MINSKY Grant towards the costs of a Pension and Employment Benefits textbook to be written by Raymond Koskie and Mark Zigler. The book is aimed at lawyers and pension fund trustees.	$	5,000

LAW SCHOOLS	
Osgoode Hall Law School of York University	$ 260,000
University of Toronto Law School	210,000
University of Ottawa Law School	210,000
Queen's University Law School	210,000
University of Windsor Law School	210,000
University of Western Ontario Law School	210,000
These comprehensive grants for the 1987/88 academic year are to be used for legal education, legal research and law libraries.	
LAW SOCIETY OF UPPER CANADA	
Bar Admission Course: Administration and operation of the 1987/88 Course	$ 600,000 or the actual deficit, whichever is less
Libraries: Operation and maintenance of the County and District Law Libraries	$ 675,000
Further grant to assist in upgrading the book collection of the Great Library	$ 37,500
General: Dial-A-Law Programme - Contribution towards the costs of promoting Dial-A-Law, including the costs of the INWATS service	$ 100,000
Muniments & Memorabilia - Towards the costs of the research archival programme	$ 35,000
Law Society Gazette - Towards the costs of publishing the fourth issue of the Gazette in 1988.	$ 30,000
CONNIE NAKATSU AND MARY MARSHALL	$ 7,500
Grant towards the costs of preparing a Canadian Health Law Digest. The work will encompass a broad field of health law, including mental health, health professions, patients' rights and malpractice. Mary Marshall is with the Ministry of Health and Mrs. Nakatsu is with the Ontario Human Rights Commission. The publisher is Carswells.	
OSGOODE SOCIETY	$ 54,750
Grant towards the costs of a programme of research into and publication of historical and biographical material in the field of law.	

QUEBEC ASSOCIATION FOR THE STUDY OF COMPARATIVE LAW	$ 15,000 over three years
Grant to assist the Association in hosting the 13th meeting of the International Academy of International Law to be held in Montreal in 1990. Specialists in comparative law from all parts of the world will attend.	
RESOURCE, EDUCATIONAL AND ADVOCACY CENTRE FOR THE HANDICAPPED (REACH)	$ 10,000
Grant to assist in establishing a Resource Centre in Kingston. REACH is a non-profit organization whose objects are to provide the disabled with quality legal and social representation, as well as education concerning the rights and interests of disabled persons.	
RAINY RIVER DISTRICT COMMUNITY LEGAL CLINIC	$ 2,000
Grant to assist in establishing a law library at this new clinic, which has its office in Fort Frances and is opening a satellite office in Atikokan.	
REFORM OF THE CRIMINAL LAW CONFERENCE	$ 5,000
Grant to contribute to defraying the general expenses and video-taping of conference proceedings. This conference on criminal law reform was held at the Inns of Court, London, England, in July 1987 and was attended by prominent members of the legal profession from common law countries. Though held in London, it was largely a Canadian undertaking.	
SOUTH ETOBICOKE COMMUNITY LEGAL SERVICES	$ 4,133.85
Grant to assist in establishing a law library at this clinic, which opened in August 1986.	
STEVEN SPETZ	$ 1,000
Grant towards the costs of publishing "Decisis". Since 1979 Mr. Spetz, a teacher at Bayridge Secondary School in Kingston, Ontario, has undertaken research for, and publication of this monthly journal, which contains a wide variety of recent court cases with explanations and comments. The journal is widely used by teachers of secondary school law courses.	

UNIVERSITY OF TORONTO Grant to support the research and writing of the Honourable Mr. Justice Arthur Martin, who will be taking up residence at the Faculty of Law, University of Toronto, in 1988.	$ 45,000 over three years
UNIVERSITY OF WESTERN ONTARIO, Faculty of Law Grant towards the costs of the expansion of the law library at this University.	$ 200,000 over three years
GEORGE VASSOS Grant towards the costs of researching an article on Wrongful Resignation to be published in a legal journal.	$ 1,000
WILLOWDALE COMMUNITY LEGAL SERVICES Grant towards the costs of establishing an in-house law library at this clinic, which opened its doors in February 1987.	$ 3,874
JACOB S. ZIEGEL Grant to assist with the costs of the seventeenth Annual Workshop on Commercial and Consumer Law. The Workshop is an annual event held in the Law Faculty of the University of Toronto and brings together experts from the bar, industry, government and law faculties to review current developments in selected areas of commercial, consumer and contract law.	$ 3,500
UNIVERSITY OF SASKATCHEWAN NATIVE LAW CENTRE Grant to help meet the operating costs of this Centre which was founded in 1975 and is an independent research and specialized legal education institute within the College of Law, University of Saskatchewan. For many years the Centre has conducted an eight week summer course for native students to help them gain admission to law school. The Centre is also working in other fields connected with native legal issues, research, the publication of various studies and the conduct of seminars.	$ 10,000

Financial Statements

December 31, 1987

Auditors' Report

To the Trustees of The Law Foundation of Ontario:

We have examined the balance sheet of The Law Foundation of Ontario as at December 31, 1987 and the statement of revenue, expenses, grants and unallocated revenue for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, these financial statements present fairly the financial position of the Foundation as at December 31, 1987 and the results of its operations for the year then ended in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

Toronto, Canada,
March 9, 1988.

Clarkson Gordon,
Chartered Accountants.

THE LAW FOUNDATION OF ONTARIO

(Incorporated without share capital under the Law Society Act)

Balance Sheet *December 31, 1987*

(with comparative figures at December 31, 1986)

ASSETS	1987	1986
Current:		
Cash	$ 1,051,624	$ 507,844
Short term investments	3,882,262	3,030,000
Marketable securities, at amortized cost (market value 1987 - $2,941,475; 1986 - $2,173,400)	3,014,573	2,102,103
Accrued interest	110,109	114,355
TOTAL CURRENT ASSETS	8,058,568	5,754,302
Fixed assets:		
Furniture and fixtures	10,626	10,626
Computer equipment	21,213	
Less accumulated depreciation	7,668	6,928
	24,171	3,698
Leasehold improvements, net of amortization	2,923	3,895
TOTAL FIXED ASSETS	27,094	7,593
	$ 8,085,662	$ 5,761,895

LIABILITIES		
Accrued charges	$ 21,793	$ 22,724
Due to Legal Aid Fund (note 2)	819,032	791,062
Grants authorized for future payment (note 3)	1,898,500	1,550,000
Reserve account (note 4)	3,737,047	2,500,000
Unallocated revenue	1,609,290	898,109
	$ 8,085,662	$ 5,761,895

(See accompanying notes to financial statements)

Statement of Revenue, Expenses, Grants and Unallocated Revenue

for the year ended December 31, 1987
(with comparative figures for the year ended December 31, 1986)

	1987	1986
Revenue:		
Interest on lawyers' mixed trust accounts	$ 18,625,068	$ 14,814,427
Interest	581,490	451,085
Bond discount amortization	(1,093)	(817)
Other income	19	377
	19,205,484	15,265,072
Expenses:		
Salaries	147,260	158,309
Legal and audit fees	9,271	6,750
Rent	25,209	22,649
Printing and office supplies	27,094	19,186
Other administrative	22,559	17,551
Depreciation and amortization	1,714	1,898
	233,107	226,343
Excess of revenue over expenses before the following	18,972,377	15,038,729
Allocation to Legal Aid Fund (note 2)	13,793,970	10,941,062
Grants authorized net of reversal of grants authorized in prior years (note 3)	3,230,179	3,133,334
	17,024,149	14,074,396
Excess of revenue over expenses and grants for the year	1,948,228	964,333
Unallocated revenue, beginning of year	898,109	333,776
	2,846,337	1,298,109
Allocated to reserve account (note 4)	1,237,047	400,000
Unallocated revenue, end of year	$ 1,609,290	$ 898,109

(See accompanying notes to financial statements)

Notes to Financial Statements

December 31, 1987

1. ACCOUNTING POLICIES

(a) Interest on lawyers' mixed trust accounts is recorded in the Foundation's accounts when received.

(b) Interest on short-term investments is recorded in the Foundation's accounts on the accrual basis.

(c) Grants for legal education, legal aid, legal research and law libraries are recorded in the Foundation's accounts in the year of authorization.

(d) Expenses are accounted for on the accrual basis

(e) Marketable securities are carried at cost net of applicable bond premium or discount amortization. Bond premiums and discounts are amortized on a straight-line basis over the period to maturity.

(f) Fixed assets are carried at cost less accumulated depreciation and amortization. Furniture and fixtures are depreciated on a declining balance basis at a rate of 20%. Leasehold improvements are amortized on a straight-line basis over the remaining term of the lease. Computer equipment is depreciated on a straight-line basis over its estimated useful life of five years.

2. LEGAL AID FUND

Pursuant to section 55(3) of the Law Society Act (R.S.O. 1980, Chapter 233), not less than 75% of the net revenue received in the year from interest on lawyers' mixed trust accounts less operating expenses is to be paid to the Legal Aid Fund. Provision for the share of net revenue payable to the Legal Aid Fund is recorded annually in the Foundation's accounts.

	1987	1986
Interest on lawyers' mixed trust accounts	$ 18,625,068	$ 14,814,427
Operating expenses	(233,107)	(226,343)
	18,391,961	14,588,084
75% allocation to Legal Aid Fund	13,793,970	10,941,062
Paid to Legal Aid Fund during the year	12,974,938	10,150,000
Due to Legal Aid Fund	819,032	791,062

3. GRANTS AUTHORIZED

Grants authorized for future payment are as follows:

Grants authorized for future payment, beginning of year	$ 1,550,000
Grants authorized	3,329,626
Reversal of grants authorized in prior years	(99,447)
Grants paid	(2,881,679)
Grants authorized for future payment, end of year	$ 1,898,500

Grants authorized for future payment at the end of 1987 include $600,000 (1986 - $600,000) which is the maximum which may become payable to The Law Society of Upper Canada in respect of the deficit of the Bar Admission course for the year ending June 30, 1988.

4. RESERVE ACCOUNT

The Foundation has allocated revenues to a reserve account. The money is invested in marketable securities and is to be used to provide for the future distribution of revenue.

Details of the account are as follows:

	1987	1986
Reserve, beginning of year	$ 2,500,000	$ 2,100,000
Interest earned on reserve account investments	237,047	-
Balance transferred from unallocated revenue	1,000,000	400,000
	1,237,047	400,000
Reserve, end of year	$ 3,737,047	$ 2,500,000